

CUSTOMERS SATISFACTION IN TELECOM SECTOR IN SAUDI ARABIA: AN EMPIRICAL INVESTIGATION

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Abstract

Saudi Telecom Company (STC) and Mobily are the two most popular telecom companies in the Kingdom of Saudi Arabia. The purpose of present research is to investigate those factors which influence customer satisfaction in telecom industry in Riyadh region of Saudi Arabia. The study is based on primary data collected on the random basis from 150 customers of various telecom companies. The respondents were selected on random basis and were requested to express their feelings through a structured questionnaire. Simple mean, percentage, Chi-Square test were employed to analyze the data. The result indicated that customers are more satisfied with quality of service, network coverage, quality of SMS, mobile internet, customer service, promotion schemes of Saudi Telecom services (STC) as compare to others telecom companies in Saudi Arabia.

Keywords: Customer, satisfaction, telecom, communication

Introduction

Satisfaction is the result of mental peace. It is invaluable assets for companies, providing unmatched competitive edge. Customer satisfaction helps in building long-term relationship and achieving goal of business that is 'Profit'. A company can satisfy its customers by proving qualitative services with low price. Telecommunication is most useful media for purpose of quick routing. It encompasses multiple services providers, including telephone companies, cables system operator, internet service providers (ISP), wireless carriers and satellite operators (Robert W. Lucky and Jon Eisenberg, 2006). Saudi Telecom Company (STC) is the first telecom communication company in Saudi Arabia which provided landlines and mobile services. Presently, there are four companies provides telecom services in the country i.e. STC (Saudi Telecom Company), Mobily (UAE

Company), ZAIN (Kuwaiti Company) and Go ATHEEB. Out of these STC and Mobily are most popular companies in the entire Kingdom.

Research problem

In the recent era, the mobile is used by every one without any discrimination of gender, income, education and age. Apparently, most of the customers whether they are pre-paid or post paid mobile user are not are not fully satisfied with the existing telecom services. It is important to analyze the impact of proving *quality of service, network coverage, quality of SMS, mobile internet, customer service, promotion schemes etc.* to ensure that mobile users receive the greatest benefits from the telecom services as part they spending on learning environments. Hence, it is important to analyze customer satisfaction of telecommunication industry in Saudi Arabia.

Literature review

Bitner and Zeithaml (2003) stated that satisfaction is the customers' measurement of services in terms of whether that services have met its needs and expectations. According to Boselie et. Al (2002) satisfaction is a positive, affective state resulting from the appraisal of all aspects of a party's working relationship with another. According to Cronin and Taylor (1992) customer satisfaction can measure by overall feelings towards an organization while Six-item construct was used by Anderson and Srinivasan (2003) for measuring customer satisfaction for each service quality of the organization. Siew-Phaik et.al (2011) opined that reliability, responsiveness, assurance and empathy significantly positively influenced customer attitudes in terms of satisfaction and loyalty.

Dabholkar (1993) is of the view that customer satisfaction is a kind of emotional, which leads to an overall, world attitude of quality, which is based on kind of internal expectation. Customer satisfaction can be measured on a single-item scale or as multi-item scale assessing the satisfaction level for each factor of the service. According to Mohammad and Noorjahan (2009), a clear understanding of the postulated relationships among the studied variables might encourage the mobile service provider(s) to figure out appropriate course of action to win customers' trust by providing better services in order to create a loyal customer base. Muhammad (2011) stated that customer satisfaction depends on the managers' desire and maintain the required services and service quality. He also focused on implications for marketing strategists for attract to the customers. Reichheld and Sasser (1990) considered 'customer satisfaction' as fundamental determinant of customer loyalty. They said that satisfaction improves repeat purchases and produces positive mouth publicity.

Research objectives

The major objective of this study is to investigate the mobile users' overall satisfaction with telecom services. The following are the other objectives of this study:

- To study the development of telecommunication sector in Kingdom.
- To investigate the differences in satisfaction levels with gender on mobile users in the Kingdom.
- To examine the difference in satisfaction levels with different age group of mobile users in the kingdom.
- To find out the differences in satisfaction levels with different income group of mobile users.

Hypotheses of the study

1. There is no significant difference between Age Group with respect to level of customer's satisfaction.
2. There is no significant relationship between the occupation and the level of satisfaction for the customer satisfaction
3. There is no significant relationship between the income status and the level of satisfaction for the customer satisfaction
4. There is no significant difference between education with respect to level of customers' satisfaction.

Area of the study

The study covered the customers of three popular telecommunication companies in Saudi Arabia. For the survey purpose Riyadh region were selected.

Sampling technique

This study is an experimental research based on the survey method. The information has been collected from the sample respondents with the help of structured questionnaire. For this, data were collected by taking 150 sample respondents.

Statistical tools

The tabulated data were formulated using the statistical tools of simple percentage analysis, ranking and chi square to interpret the data.

Analysis and interpretation

The collected data were analyzed using the appropriate statistical tools mentioned in the research methodology. The objective-wise analysis and their interpretations are presented in this section.

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Table (1) Demographic Profile of Respondents

Demographic	Frequency	Valid Percentage
Gender		
Male	100	66.7
Female	50	33.3
Age		
Below 20 years	9	6.0
20-30 years	52	34.7
30-40 years	32	21.3
40-50 years	37	24.7
50 and above	20	13.3
Occupation		
Student	23	15.3
Service	86	57.3
Business	18	12.0
Other	23	15.3
Monthly Income (in SAR)		
Less than 5000 SAR	40	26.7
5000-10000	35	23.3
10000-15000	33	22.0
15000 +	42	28.0
Education		
Primary	2	1.3
Hig School	51	34.0
Bachelor degree	81	54.0
Master Degree	12	8.0
Ph.D.	4	2.7

Table (1) reveals that there are a total of 150 respondents for this study. Male respondents are 100 i.e. 66.7% while 50 (33.3%) were female. Out of 150 respondents only 9 (6%) were below 20 age, 52 (34.7%) were between 20 to 30 age group, 32 (21.3) between 31 to 40, 37 (24.7%) were 41 to 50 and 20 (13.3) were above 50 age. The income wise respondents were 23 (15.3%) students, 86 (57.3%) service class (both private and government job), 18(12%) businessmen, and 23(15.3%) were other. The classification of respondents according to monthly income 50 respondents i.e. 26.7% were below 5000 income earning group. Thirty five respondents (23.3%) were between 5000 to 10000, 33 (22%) were between 10000 to 15000 and 28% of the total respondents were in the income group of above 15000 SAR monthly. The education wise respondents categorized in primary, high school, graduate, Master and Ph.D. holder were 1.3%, 34%, 54%, 8% and 2.7% respectively

Table (2) Distribution of sample respondents according to company

Demographic	STC	Mobily	Others
Gender			
Male	62	27	11
Female	33	14	3
Age			
Below 20 years	4	5	0
20-30 years	27	16	9
30-40 years	20	10	2
40-50 years	28	7	2
50 and above	16	3	1
Occupation			
Student	12	7	4
Service	61	19	6
Business	8	8	2
Other	14	7	2
Monthly Income (in SAR)			
Less than 5000 SAR	18	16	6
5000-10000	24	7	4
1000-15000	21	9	3
15000 +	32	9	1
Education			
Primary	1	1	0
High School	31	15	5
Bachelor degree	52	21	8
Master Degree	7	4	1
Ph.D.	4	0	0

Table (2) shows the existing customers of different telecom companies. There are 62% customers who are using STC network, 27% were with mobily and only 11% customers are using other network. Age group wise data shows that middle age groups are using more mobile network. Saudi Telecom Company (STC) is the highest used network. Table also shows most of the service class customer are using STC network. It is more than 50% of other network. Customers between the income group of 5000 to 15000 customers are using mobile and they also prefer STC network. The graduating students' most likely network is STC.

Testing of hypotheses

For testing of hypothesis, since the sample data of other company are very small, for more analysis and accuracy, the results of mobily and other company has been clubbed.

H0 There is no difference between Age group with respect to satisfaction from the mobile services

Table (3)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.984 ^a	4	.739
Likelihood Ratio	1.950	4	.745
Linear-by-Linear Association	1.165	1	.280
N of Valid Cases	150		
a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 2.58.			

Table (3) shows that the calculated value (.739) is higher than the table value. Therefore, Null hypothesis is rejected. There is significant relationship between the age group and the level of satisfaction for the customer's satisfaction.

H0. There is no significant relationship between the occupation and the level of satisfaction for the customer satisfaction

Table (4)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.579 ^a	3	.901
Likelihood Ratio	.598	3	.897
Linear-by-Linear Association	.302	1	.582
N of Valid Cases	150		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 5.16.			

Table (4) depicts that the calculated value (.901) is higher than the table value. Null hypothesis is rejected. There is significant relationship between the occupation and the level of satisfaction for the customer's satisfaction.

H0 There is no significant relationship between the income status and the level of satisfaction for the customer satisfaction

Table (5)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.006 ^a	3	.261
Likelihood Ratio	4.003	3	.261
Linear-by-Linear Association	.028	1	.868

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.006 ^a	3	.261
Likelihood Ratio	4.003	3	.261
Linear-by-Linear Association	.028	1	.868
N of Valid Cases	150		
a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.46.			

From the above table one can see that the calculated value (.261) is less than the table value. Null hypothesis is accepted. There is no significant relationship between the monthly income and the level of satisfaction for the customer's satisfaction.

H0 There is no significant difference between the levels of education with respect to customers' satisfaction

Table (6)

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.322 ^a	4	.677
Likelihood Ratio	2.339	4	.674
Linear-by-Linear Association	.567	1	.451
N of Valid Cases	150		
a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is .57.			

Table (6) exhibits that the calculated value (.677) is higher than the table value and hence the Null hypothesis is rejected. There is significant relationship between the education and the level of satisfaction for the customer's satisfaction.

The results are further substantiated by the T statistic

Table (7) Showing T- Test

Variables	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T-test (95%)	Result
				Lower	Upper		
Age	1.740	1.303	.106	1.530	1.950	16.359 (.00)	Significant NULL H0 Rejected
Occupation	.967	1.039	.085	.799	1.134	11.73 (.00)	Significant NULL H0 Rejected
Monthly Income	1.27	1.27	.104	1.001	1.41	11.98 (.00)	Significant NULL H0 Rejected

Variables	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T-test (95%)	Result
				Lower	Upper		
Education	1.46	.864	.071	1.32	1.599	21.75 (.00)	Significant NULL H0 Rejected

Table (7) crossed checked the hypotheses and it was found that the results were same by T-test and Chi-square. It is found that all the null hypotheses were rejected which means there is significant different found in age, occupation, income and education and customer satisfaction.

Findings

The following are the major findings of the present research:

- It was found that male and female both are almost equal users of mobile network in Saudi Arabia.
- It was found that the number of users between (ages 20 to 30 years) is more than as compare to others, below 20 only few children are using mobile.
- It was found that service class people (government and private sector) are the highest user.
- It was surprisingly found that persons whose income is less than 5000 and those who are getting higher salary holders are using more dependent on mobile technology as compared to middle income holders.
- It was found that gradating students are most likely users of mobile.
- It was found that most popular telecom company in Saudi Arabia is STC which is liked by all group of peoples i.e. age group, income, occupation etc.
- It was found that age is not a barrier of satisfaction; all age group people are satisfied. The teenagers are most likely customer of STC.
- There was found a significant difference in satisfaction between different groups of income.
- There was found a significant difference in satisfaction between different groups of educational standard.

Suggestions

- Male and female both are satisfied by mobile network. It is not necessary to launch keeping in view of gender.
- Bachelor or Graduating students use mobile network more frequently. Company should launch promotion schemes keeping in view of these targeted customers.

- Age wise people in their thirties are more frequent in using mobile. Company can satisfy and attract customer by giving stronger internet network, MMS and fast internet scheme.
- Among others only service class people are the highest users of mobile, the telecom companies can target and increase number of customers by launching schemes for businessmen

Concluding remarks

The results of research show that ‘Customer satisfaction’ depends on customer care services, promotion schemes and service quality. The researcher found that customers of STC Company are more satisfied as compared to other companies in the kingdom. The main factors of customer satisfactions are coverage of network, promotion and value added schemes, SMS & MMS quality, customer care services. The main recommendation of the research is that the telecom companies can attract more customers by launching promotion schemes especially for teenagers, businessman and students as they are more frequent mobile users. The companies can launch special schemes for expatriates to increase number of customers and profit.

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